

MEMORANDUM

To: FMA Regional Directors

From: Greg Stanford and Katie Maddocks

Re: FMA Government Affairs Update for January 2014

Date: Friday, February 14, 2014

The purpose of this memorandum is to provide a brief narrative and status of ongoing government relations and public affairs activities the FMA government relations department worked on in January 2014 on behalf of FMA members. Please share this information with chapter presidents, legislative action team leaders and others in your region.

President Obama approves Fiscal Year 2014 Appropriations – Includes pay raise for Wage Grade Employees

On Friday, January 17, 2014, President Barack Obama signed the Consolidated Appropriations Bill (P.L. 113-76) into law. The measure, which includes all twelve appropriations bills, funds the government through the end of Fiscal Year 2014.

The \$1.1 trillion bill includes language adopted from Rep. Matt Cartwright (D-PA), to provide the same one percent pay raise to Wage Grade employees that their white-collar colleagues received on January 1, 2014. As we reported in FMA's December 2013 government affairs update, FMA supported Rep. Cartwright's effort. FMA National President Patricia Niehaus wrote Mr. Cartwright to support the language from his bill that was ultimately included in the FY14 appropriations bill.

Following final passage, FMA government relations staff reached out to Rep. Cartwright to thank him for his leadership on this issue.

Senate Committee Takes up FECA Reform in Postal Bill

After months of delay, the Senate Homeland Security and Governmental Affairs Committee reviewed and marked up part of S. 1486, the Postal Reform Act. Included in the bill, is a provision calling for the reform of the Federal Employee Compensation Act (FECA). S. 1486 calls for cutting compensation in half once those receiving workers' compensation reach the age of retirement, and reduces the compensation rate to 66 2/3 percent of a worker's pre-injury salary, regardless if they have dependents or not.

Currently, employees benefiting from FECA receive 75 percent of their salary (66 2/3 percent for those who have no dependents) tax-free. As such, FECA income can exceed the injured employee's pre-injury salary, reducing the incentive to return to work. Additionally, FECA benefits continue after the employee would have otherwise been eligible for retirement, at a continuing cost to the agency, and these

benefits frequently exceed retirement pensions. In order to combat rising costs, the Federal Managers Association (FMA) has long supported FECA reform as called for in the Senate bill.

During the Senate committee meeting, Senator Jon Tester (D-MT) offered a failed amendment that would pull the FECA reform language from the bill. The Senator noted a hearing on FECA reform has not been held since 2012. However, the provisions for FECA reform in S. 1486 are very similar to language in the 2012 Senate postal reform bill, of which the full Senate voted in favor. FMA National President Patricia Niehaus commented on the call for reform, stating, "As the Postal Bill stands, it encourages federal employees to return to work after they have recovered from their injuries. Currently, FECA provisions allowing for employees to receive 75 percent of the salary tax-free if they have dependents. Unfortunately, there are those who take advantage of this benefit instead of returning to the workforce when they are able. In order to combat these duplicitous costs, FMA is grateful to see the Senate's call for thoughtful FECA reform."

On Thursday, February 6, 2014, the committee voted 9 to 1 to favorably report the Postal Reform Act of 2014 to the full Senate for consideration. It is currently unclear when the Senate will consider this legislation.

For more information on FMA's advocacy for FECA reform, please visit the Legislative Action Center of the FMA website, www.fedmanagers.org.

Senate Committee Calls for Greater Transparency in Conference Spending

The Senate Homeland Security and Governmental Affairs Committee called a hearing on January 14 to examine how select federal agencies responded to the need for greater restraint and offer transparency on conference and travel spending. FMA Government Affairs Representative Katie Maddocks attended this hearing on behalf of the Association.

Chairman Tom Carper (D-DE) and Ranking Member Tom Coburn (R-OK) presided over the hearing, titled, "Examining Conference and Travel Spending Across the Federal Government." During the first panel Office of Management and Budget (OMB) Deputy Director of Management Beth Cobert and General Services Administration (GSA) Administrator Dan Tangherlini testified, while the second panel heard testimony from the Inspector Generals of the Department of Justice, Michael Horowitz; GSA, Brian Miller; and, the Department of Treasury, J. Russell George. Throughout the hearing, members of the committee and panelists commented on the need for transparency to ensure funding is spent wisely while ensuring the effectiveness of conference and travel expenses are used wisely.

The Government Managers Coalition (GMC), of which the Federal Managers Association is a member, wrote the Chairman and Ranking Member, expressing concern on excessive cuts to conferences, and the need for agency discretion regarding cuts to conference and travel expenses. The Coalition addressed the committee, "Government conferences, meetings and trainings – some of which require travel – can serve many beneficial purposes.... In rapidly changing fields of science and technology, government professionals from agencies like NASA, NIH, DOD, USDA, and DHS benefit from knowledge exchange and networking opportunities with practitioners from private industry, academia, and state and local government." The GMC concluded its letter, stating, "It is our experience that there is never a one size fits all policy and exceptions always exist. Agencies should have flexibility to determine what travel, meetings and conferences are a necessary expense."

In his opening remarks, Chairman Carper remarked the hearing would examine what federal agencies are currently spending on conferences and travel; how has OMB guidance on conference travel spending been adopted; what changes have been made throughout agencies to address past problems; and, what steps have been taken to ensure wasteful spending does not occur in the future. Chairman Carper noted that in fiscal year 2013, conference and travel spending decreased by \$3 billion since FY10, however, he emphasized the need to continue the culture of savings without losing the value of conferences. “When properly planned and managed, conferences serve a legitimate and often times necessary purpose of fostering collaboration and partnerships between government employees, state regulators, academia and industry,” he commented. Chairman Carper further added, “And while it is important that agencies make efforts to eliminate any wasteful spending on conferences and travel, we must be careful that we don’t unduly restrict the ability of our agencies to interact with outside groups.”

Panelists testified repeatedly that although there have been discrepancies in spending in the past, federal agencies are taking steps to ensure proper financial practices and that conferences are useful and improve upon agency efficiency. During Deputy Director Cobert’s testimony, she stated, “We are continuing to sharpen our understanding of both the value of conference attendance to mission critical departmental activities and the opportunities to reduce expenditures—both of which are central to continued good stewardship to the taxpayer dollar.” In addition to the need to reduce costs while still ensuring an effective and well trained federal workforce, committee members expressed the need for cultural change, assuring that excessive spending on conferences and travel will not happen years from now. Inspector Generals Miller and Horowitz both commented on the need for a tone from the top; attitudes about spending need to come from administrative leaders and executives to best support the idea of frugality.

To read the full letter from the GMC, please visit the Legislative Action Center of the FMA website, www.fedmanagers.org. For more information on the hearing, please visit, www.hsgac.senate.gov.

President Niehaus Visit to Washington, D.C.

President Niehaus had a productive visit to Washington, D.C., January 13-16. The government affairs department assisted FMA Executive Director Todd Wells in preparing her itinerary, which included a variety of meetings with both the legislative and administrative branches:

- **Carol Bonosaro, Senior Executives Association (SEA)** – Discussed mutual priorities for 2014 and how FMA and SEA can continue its strong relationship.
- **House Committee on Oversight and Government Reform (Majority)** – Discussed Chairman Darrel Issa’s FEHB modernization legislation, as well as the Chairman’s priorities for the second session of the 113th Congress.
- **Senate Homeland Security and Governmental Affairs Committee (Majority)** – Discussed FECA reform provisions in the Postal Bill that was considered by the committee in late January and early February, as well as other HSGAC priorities in 2014.
- **Mitch Berkenkemper, Director, Labor and Employee Relations, Environmental Protection Agency** – Discussed ways FMA can work with the EPA and its National Partnership Council (NPC). This meeting was generated by FMA’s participation on the National Council on Federal Labor-Management Relations and President Niehaus’s presentation to the NPC in September 2013.



- **National Council on Federal Labor-Management Relations** – The Council met on January 15 for the first time in 2014.

Additional Activities:

National Council of Federal Labor-Management Relations

In preparation for the next meeting of the Labor-Management Relations Council on January 15, FMA Director of Government Affairs Greg Stanford participated in several meetings of the Council's Agenda and Problem Resolution subgroups. The agenda subgroup discusses and prepares topics of discussion for council meetings, while the problem resolution subgroup works on tools and other initiatives to address friction between management and labor.

Federal-Postal Coalition

FMA Government Affairs Representative Katie Maddocks met with other representatives from the Federal-Postal Coalition (FPC), which brings together more than 30 unions, management organizations and postal groups to discuss and collaborate on issues.